

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

**In re:** §  
§ Case No. 16-31922  
**HYDROCARB ENERGY CORP., et al** §  
§ Chapter 11  
**Debtors.<sup>1</sup>** § Jointly Administered

**DEBTORS' EMERGENCY MOTION TO EXTEND TIME TO FILE SCHEDULES OF  
ASSETS AND LIABILITIES, SCHEDULES OF EXECUTORY CONTRACTS AND  
UNEXPIRED LEASES, AND STATEMENTS OF FINANCIAL AFFAIRS**

**THIS MOTION SEEKS AN ORDER THAT MAY ADVERSELY AFFECT YOU. IF YOU OPPOSE THE MOTION, YOU SHOULD IMMEDIATELY CONTACT THE MOVING PARTY TO RESOLVE THE DISPUTE. IF YOU AND THE MOVING PARTY CANNOT AGREE, YOU MUST FILE A RESPONSE AND SEND A COPY TO THE MOVING PARTY. YOU MUST FILE AND SERVE YOUR RESPONSE WITHIN 21 DAYS OF THE DATE THIS WAS SERVED ON YOU. YOUR RESPONSE MUST STATE WHY THE MOTION SHOULD NOT BE GRANTED. IF YOU DO NOT FILE A TIMELY RESPONSE, THE RELIEF MAY BE GRANTED WITHOUT FURTHER NOTICE TO YOU. IF YOU OPPOSE THE MOTION AND HAVE NOT REACHED AN AGREEMENT, YOU MUST ATTEND THE HEARING. UNLESS THE PARTIES AGREE OTHERWISE, THE COURT MAY CONSIDER EVIDENCE AT THE HEARING AND MAY DECIDE THE MOTION AT THE HEARING.**

**EMERGENCY RELIEF HAS BEEN REQUESTED, IF THE COURT CONSIDERS THE MOTION ON AN EMERGENCY BASIS, THEN YOU WILL HAVE LESS THAN 21 DAYS TO ANSWER, IF YOU OBJECT TO THE REQUESTED RELIEF OR IF YOU BELIEVE THAT THE EMERGENCY CONSIDERATION IS NOT WARRANTED, YOU SHOULD FILE AN IMMEDIATE RESPONSE.**

**REPRESENTED PARTIES SHOULD ACT THROUGH THEIR ATTORNEY.**

**TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:**

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<sup>1</sup> The Debtors and the last four digits of their respective taxpayer identification numbers are as follows:

Hydrocarb Energy Corp. (0930); Galveston Bay Energy, LLC (0569).

Hydrocarb Energy Corp. (“HEC”) and Galveston Bay Energy, LLC (“GBE,”) and together with HEC, collectively, the “Debtors”), the above-captioned debtors and debtors in possession, by and through their undersigned proposed attorneys, hereby file this emergency motion (the “Motion”) for an order extending the time to file schedules of assets and liabilities, statements of financial affairs and schedules of executory contracts and unexpired leases (the “Schedules and Statements”). In support thereof, the Debtors state as follows:

## **I. JURISDICTION AND VENUE**

1. This Court has jurisdiction over these matters pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue of these chapter 11 cases in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

## **II. BACKGROUND**

2. On April 12, 2016 (the “Petition Date”), the Debtors filed voluntary petitions for relief under chapter 11, Title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Southern District of Texas, Houston Division (the “Court”).

3. Pursuant to Bankruptcy Code §§ 1107(a) and 1108, the Debtors are operating their businesses and managing their property as debtors in possession. The Debtors cases are being jointly administered. No trustee or examiner has been appointed in these cases.

### **A. The Debtors’ Business**

4. HEC is a fully reporting public company engaged in the business of oil and gas exploration and production both domestically and internationally. Its principal offices are located at 800 Gessner, Suite 375, Houston, Texas, 77024. Production is performed domestically

through the assets held by HEC's wholly owned subsidiary GBE. International exploration is performed through a separate operating subsidiary Hydrocarb Corporation ("HCN").

5. HEC and its subsidiaries (the "Companies") engage in the exploration, acquisition, development, and production of oil and gas properties in the United States and onshore in Namibia, Africa. The Companies maintain developed acreage offshore in Galveston Bay, Texas. In 2012, the Companies acquired, through the acquisition of Namibia Exploration Inc., a 39% non-operated working interest in a concession located onshore in Namibia, Africa. During December 2013, with the acquisition of Hydrocarb Corporation, the Companies acquired a 51% working interest in this onshore Namibia, Africa concession and now own a 90% working interest (100% cost responsibility) in this concession.

6. GBE holds majority interests (approximately 93% working interest) and operates four fields in the shallow waters of Galveston Bay, Texas. The Companies have a net 17,176 acres held by production in Galveston Bay. Pursuant to the most recent reserve report, the Companies have over 2 million barrels of oil and additional gas in our proved reserves.

**B. The Corporate Structure and Ownership of the Debtors**

7. HEC is a publically traded entity, currently trading on the OTCQB Market under the stock symbol "HECC." HEC was incorporated in Nevada on April 12, 2005 under the name Carlin Gold Corporation. On September 5, 2006, HEC became Strategic American Oil Corporation and later changed its name to Duma Energy Corp. On February 18, 2014, HEC changed its name from Duma Energy Corp. to Hydrocarb Energy Corp.

8. Effective September 28, 2015, the Company filed a Certificate of Amendment to its Articles of Incorporation with the Secretary of State of Nevada, to (1) affect an amendment to the Company's Articles of Incorporation to increase the number of authorized shares of the

Company's common stock to 1,000,000,000 shares; (2) affect an amendment to the Company's Articles of Incorporation to authorize 100,000,000 shares of "blank check" preferred stock (the "Blank Check Preferred Amendment"); (3) designate 10,000 shares of Series A 7% Convertible Voting Preferred Stock (the "Series A Amendment"); and (4) designate 35,000 shares of Series B Convertible Preferred Stock (the "Series B Amendment"), each of which amendments were approved by the stockholders of the Company at the Annual Meeting of Shareholders of the Company held on September 28, 2015.

9. HEC owns 100% of the issued and outstanding shares of Galveston Bay Energy, LLC, a Texas limited liability company, Hydrocarb Corporation ("HCN"), a Nevada corporation, and HCN owns 100% of Hydrocarb Namibia Energy (Pty) Limited, a company chartered in the Republic of Namibia.

### **III. RELIEF REQUESTED**

10. The Debtors seek entry of an order providing a 14-day extension of the period in which to complete and file their Schedules and Statements as required by § 521 of the Bankruptcy Code and Bankruptcy Rule 1007. Such order would extend the deadline for the Debtors to file their Schedules of Assets and Liabilities and Statements of Financial Affairs to May 11, 2016.

### **IV. BASIS FOR RELIEF**

11. Federal Rule of Bankruptcy Procedure 1007(c) authorizes extensions of the time for filing schedules and statements for "cause." Southern District of Texas Local Bankruptcy Rule 1001-1(d) further provides that the Court may modify the application of rules in any case.

12. While the Debtors are organizing their employees to work diligently and expeditiously to prepare the Schedules and Statements, the Debtors' resources are limited. As a

result of the amount of work required to complete the Schedules and Statements and the competing demands upon the Debtors' employees and professionals to assist in efforts to obtain post-petition financing necessary to stabilize business operations, the Debtors will not be able to properly and accurately complete the Schedules and Statements within the required fourteen- day time period. Given the significant burdens already imposed on the Debtors' management by the commencement of these chapter 11 cases, the Debtors request additional time to complete and file the required Schedules and Statements. The Debtors currently anticipate that they will require at least 14 additional days to complete their Schedules and Statements. Therefore, the Debtors request that the Court extend the fourteen-day period by an additional 14 days. While the Debtors believe that the requested extension will provide sufficient time to permit the Debtors to complete and file the Schedules and Statements, the Debtors reserve the right to seek additional extensions on appropriate notice and motion to the Court.

#### **V. BASIS FOR EMERGENCY RELIEF**

13. The current deadline for the Debtors to file their Schedules of Assets and Liabilities and Statements of Financial Affairs is April 27, 2016. Accordingly, emergency consideration of the Motion is necessary so the Debtors can obtain relief prior to that deadline.

WHEREFORE, the Debtors request that this Court enter an order, in substantially the form filed herewith, granting the relief requested in this Motion, and such other and further relief as may be just and proper under the circumstances.

DATED: April 23, 2016.

**OKIN & ADAMS LLP**

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**PROPOSED COUNSEL FOR  
HYDROCARB ENERGY CORPORATION  
AND GALVESTON BAY ENERGY, LLC**

**CERTIFICATE OF ACCURACY PURSUANT TO LOCAL RULE 9013-1(I)**

I hereby certify to the accuracy of the matters set forth in the foregoing motion.

/s/ David L. Curry, Jr.  
David L. Curry, Jr.

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the forgoing pleading was served, upon filing, via the Court's CM/ECF system upon those parties subscribing thereto.

/s/ David L. Curry, Jr.  
David L. Curry, Jr.